

WHEATFIELD TOWNSHIP, MICHIGAN

AUDITED FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2004

Auditing Procedures Report

Issued under P.A. 2 of 1968, as amended.

Local Government Type <input type="checkbox"/> City <input checked="" type="checkbox"/> Township <input type="checkbox"/> Village <input type="checkbox"/> Other		Local Government Name WHEATFIELD TOWNSHIP	County INGHAM
Audit Date JUNE 30, 2004	Opinion Date DECEMBER 17, 2004	Date Accountant Report Submitted to State: DECEMBER 31, 2004	

We have audited the financial statements of this local unit of government and rendered an opinion on financial statements prepared in accordance with the Statements of the Governmental Accounting Standards Board (GASB) and the *Uniform Reporting Format for Financial Statements for Counties and Local Units of Government in Michigan* by the Michigan Department of Treasury.

We affirm that:

1. We have complied with the *Bulletin for the Audits of Local Units of Government in Michigan* as revised.
2. We are certified public accountants registered to practice in Michigan.

We further affirm the following. "Yes" responses have been disclosed in the financial statements, including the notes, or in the report of comments and recommendations

You must check the applicable box for each item below.

- ☐ Yes ☒ No 1. Certain component units/funds/agencies of the local unit are excluded from the financial statements.
- ☐ Yes ☒ No 2. There are accumulated deficits in one or more of this unit's unreserved fund balances/retained earnings (P.A. 275 of 1980).
- ☐ Yes ☒ No 3. There are instances of non-compliance with the Uniform Accounting and Budgeting Act (P.A. 2 of 1968, as amended).
- ☐ Yes ☒ No 4. The local unit has violated the conditions of either an order issued under the Municipal Finance Act or its requirements, or an order issued under the Emergency Municipal Loan Act.
- ☐ Yes ☒ No 5. The local unit holds deposits/investments which do not comply with statutory requirements. (P.A. 20 of 1943, as amended [MCL 129.91], or P.A. 55 of 1982, as amended [MCL 38.1132]).
- ☐ Yes ☒ No 6. The local unit has been delinquent in distributing tax revenues that were collected for another taxing unit.
- ☐ Yes ☒ No 7. The local unit has violated the Constitutional requirement (Article 9, Section 24) to fund current year earned pension benefits (normal costs) in the current year. If the plan is more than 100% funded and the overfunding credits are more than the normal cost requirement, no contributions are due (paid during the year).
- ☐ Yes ☒ No 8. The local unit uses credit cards and has not adopted an applicable policy as required by P.A. 266 of 1995 (MCL 129.241).
- ☐ Yes ☒ No 9. The local unit has not adopted an investment policy as required by P.A. 196 of 1997 (MCL 129.95).

We have enclosed the following:

	Enclosed	To Be Forwarded	Not Required
The letter of comments and recommendations.	X		
Reports on individual federal financial assistance programs (program audits).			X
Single Audit Reports (ASLGR).			X

Certified Public Accountant (Firm Name) DAVID E. HADDRILL, PC			
Street Address 834 N. CAPITOL AVE		City LANSING	State MI
Accountant Signature <i>David E. Haddrill</i>		ZIP 48906-5114	
		Date	

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David E. Haddrill, P.C.
Certified Public Accountant

834 N. Capitol, Lansing, MI 48906-5114
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December 17, 2004

Township Board
Wheatfield Township

Independent Auditor's Report

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Wheatfield Township as of and for the year ended June 30, 2004, which collectively comprise the Township's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Wheatfield Township, Michigan, management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with U.S. generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Wheatfield Township, Michigan as of June 30, 2004, and the respective changes in financial position thereof for the year then ended in conformity with U.S. generally accepted accounting principles.

As described in Note 1, the Township has implemented a new financial reporting model, as required by the provisions of GASB Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*, as of June 30, 2004.

The management's discussion and analysis on pages 2 through 5 is not a required part of the basic financial statements but is supplementary information required by U.S. generally accepted accounting principles. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Wheatfield Township, Michigan basic financial statements. The statements of revenues, expenditures and changes in fund balance, and the General Fund Schedule of Revenues and Schedule of Appropriations and Expenditures are presented for purposes of additional analysis and are not a required part of the basic financial statements. These statements and schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements, and in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

David E. Haddrill, P.C.

Certified Public Accountant

WHEATFIELD TOWNSHIP

MANAGEMENT'S DISCUSSION AND ANALYSIS

As the Township Board of Wheatfield Township, we offer readers of the township's financial statements this narrative overview and analysis of the financial activities of Wheatfield Township for the fiscal year June 30, 2004.

Financial Highlights

The assets of Wheatfield Township exceeded its liabilities at June 30, 2004 by \$375,869 (net assets). Of this amount, \$204,310 (unrestricted net assets) may be used to meet the Township's ongoing obligations to citizens and creditors.

As of the close of the current fiscal year, Wheatfield Township's governmental funds reported combined ending fund balances of \$204,310, an increase of \$2,508 in comparison with the prior year. The total amount, \$204,310, is available for spending at the township's discretion (unreserved fund balance).

At the end of the current fiscal year, unreserved fund balance for the general fund was \$204,310, or 107 percent of the total general fund expenditures.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to Wheatfield Township's basic financial statements. The Township's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information, in addition to the basic financial statements themselves.

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of the Township's finances, in a manner similar to a private-sector business.

The statement of net assets presents information on all the Township's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the Township's financial position is improving or deteriorating.

The statement of activities presents information showing how of the Township's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

Both of the government-wide financial statements report the functions of the Township, which are principally supported by taxes and intergovernmental revenues (governmental activities). The governmental activities of the Township include: general government, public safety and public works.

The government-wide financial statements can be found on pages 6 and 7 of this report

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Wheatfield Township, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the township can be divided into two categories: governmental funds and fiduciary funds.

WHEATFIELD TOWNSHIP

MANAGEMENT'S DISCUSSION AND ANALYSIS

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the governmental fund financial statements. However, unlike government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluation of a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for government funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financial decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Wheatfield Township maintains one individual governmental fund. Information is presented in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General Fund.

The Township adopts an annual appropriated budget for its general fund. Budgetary comparison statements have been provided for the general fund to demonstrate compliance with this budget.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 12-15 of this report.

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of Wheatfield Township, assets exceeded liabilities by \$375,869 at the close of the most recent fiscal year.

A significant portion of the Township's net assets (46 percent) reflects its investment in capital assets (e.g., land, buildings, and equipment). The Township used these capital assets to provide services to citizens; consequently, these assets are not available for future spending.

TOWNSHIP'S NET ASSETS

	Total
Current and other assets	\$ 212 547
Capital assets	346 598
Total assets	<u>559 145</u>
Current liabilities	8 237
Long-term debt outstanding	175 039
Total liabilities	<u>183 276</u>
Net Assets	
Invested in capital assets	171 559
Unrestricted	204 310
Total net assets	<u>\$ 375 869</u>

WHEATFIELD TOWNSHIP

MANAGEMENT'S DISCUSSION AND ANALYSIS

Of the Township's net assets, \$204,310 may be used to meet the Township's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the Township is able to report positive balances in all three categories of net assets, both for the government as a whole, as well as for its governmental activities.

The Township's net assets increased by \$2,787 during the current fiscal year as discussed below.

Governmental Activities. Governmental activities increased the Township's net assets by \$2,508.

For the most part, increases in expenses closely paralleled inflation and growth in the demand for services.

Financial Analysis of the Township's Funds

As noted earlier, the Township used fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of the township's governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the Township's financing requirements. In particular, unreserved fund balances may serve as a useful measure of a Township's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the Township's governmental funds reported combined ending fund balances of \$204,310, an increase of \$2,508 in comparison with the prior year. All of this amount constitutes unreserved fund balance, which is available for spending at the Township's discretion.

The general fund is the chief operating fund of the Township. At the end of the current fiscal year, unreserved fund balance of the general fund and the total fund balance was \$204,310. Unreserved fund balance represents 107 percent of the total general fund expenditures.

The fund balance of the Township's general fund increased by \$2,508 during the current fiscal year.

General Fund Budgetary Highlights

Differences between the original total budget and the final amended total budget totaled an increase of \$7,300 to cover an increase in drain assessments.

Capital Asset and Debt Administration

Capital Assets. The township's investment in capital assets for its governmental activities as of June 30, 2004, amounts to \$346,598 (net of accumulated depreciation). This investment in capital assets includes: land, buildings and equipment). The total decrease in the Township's investment in capital assets for the current fiscal year was 2.7 percent. Details of the Township's capital assets are continued in the notes to the financial statements on page 14.

Long-Term Debt. At the end of the current fiscal year, the Township had installment debt outstanding of \$175,039. The debt is backed by the full faith and credit of the Township. Additional information on the Township's long-term debt can be found in the notes on page 15.

WHEATFIELD TOWNSHIP

MANAGEMENT'S DISCUSSION AND ANALYSIS

Economic Factors and Next Year's Budget and Rates

The unemployment rate is still high in the State of Michigan and the State's shortfall in the budget means further reductions in the state-shared revenues. State-shared revenues are expected to decrease in 2004-2005 fiscal year. The Township budgeted for a decrease in state-shared revenue. The Township's millage rate was reduced again by the Headlee Amendment rollback. These factors were considered in preparing the Township's budget for the 2004-2005 fiscal year.

During the current fiscal year, unreserved fund balance in the general fund increased to \$204,310. The Township has presented a balanced budget in the 2004-2005 fiscal year.

Request for Information

This financial report is designed to provide a general overview of Wheatfield Township's finances for all those with an interest in the township's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Supervisor of Wheatfield Township at (517) 655-4161.

WHEATFIELD TOWNSHIP
STATEMENT OF NET ASSETS
JUNE 30, 2004

Governmental
activities

ASSETS

Cash and cash equivalents	\$ 203 762
Due from Tax Revolving Fund	4 952
Prepaid expenses	3 833
Capital assets - net	<u>346 598</u>
Total assets	<u>559 145</u>

LIABILITIES

Accounts payable	2 441
Accrued payroll	5 796
Installment loan	<u>175 039</u>
Total liabilities	<u>183 276</u>

NET ASSETS

Invested in capital assets	171 559
Unrestricted	<u>204 310</u>
Total net assets	<u>\$ 375 869</u>

See accompanying notes to financial statements.

WHEATFIELD TOWNSHIP
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2004

Functions/Programs	<u>Expenses</u>	<u>Charges for services</u>	<u>Net expense (revenue)</u>
Primary government			
General government	\$ 127 168	\$ 8 067	\$ 119 101
Public safety	10 455	10 214	241
Public works	43 423		43 423
Interest on installment loan	<u>9 455</u>		<u>9 455</u>
Total governmental activities	<u>\$ 190 501</u>	<u>\$ 18 281</u>	<u>172 220</u>
General revenues			
Property taxes			53 976
State - shared revenue			119 855
Interest income			<u>1 176</u>
Total general revenues			<u>175 007</u>
Change in net assets			2 787
Net assets, at beginning of year			<u>373 082</u>
Net assets, at end of year			<u>\$ 375 869</u>

See accompanying notes to financial statements.

WHEATFIELD TOWNSHIP
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2004

	<u>General Fund</u>
<u>ASSETS</u>	
Cash and cash equivalents	\$ 203 762
Due from Tax Revolving Fund	4 952
Prepaid expenses	<u>3 833</u>
Total assets	<u>212 547</u>
<u>LIABILITIES</u>	
Accounts payable	2 441
Accrued payroll	<u>5 796</u>
Total liabilities	<u>8 237</u>
<u>FUND BALANCES</u>	
Unreserved Undesignated	204 310
Amounts reported for governmental activities in the statement of net assets are different because:	
Capital assets of \$372,454, net of accumulated depreciation of \$25,856 are not financial resources and are not reported in the funds	346 598
Installment debt is not due and payable in the current period and is not reported in the funds	<u>(175 039)</u>
Net assets of governmental activities	<u>\$ 375 869</u>

See accompanying notes to financial statements.

WHEATFIELD TOWNSHIP

STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS

YEAR ENDED JUNE 30, 2004

	<u>General Fund</u>
REVENUES	
Taxes	\$ 53 976
State government	119 855
Charges for services and reimbursements	3 931
Licenses and permits	11 850
Building rental	2 500
Interest	<u>1 176</u>
Total revenues	<u>193 288</u>
EXPENDITURES	
General government	123 660
Public safety	4 497
Public works	43 423
Debt service	<u>19 200</u>
Total expenditures	<u>190 780</u>
Excess(deficiency) of revenues over expenditures	2 508
FUND BALANCE, at beginning of year	<u>201 802</u>
FUND BALANCE, at end of year	<u>\$ 204 310</u>
Excess(deficiency) of revenues over expenditures	\$ 2 508
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures, however, in the statement of activities, the cost of these assets is allocated over their estimated useful lives as depreciation expense. Current period capital outlays of \$0 were exceeded by depreciation expense of \$9,466 .	(9 466)
Repayment of installment loan principal is an expenditure in the governmental funds but not in the statement of activities (where it reduces installment loan debt).	<u>9 745</u>
Change in net assets of governmental activities	<u>\$ 2 787</u>

See accompanying notes to financial statements.

WHEATFIELD TOWNSHIP
STATEMENT OF NET ASSETS - FIDUCIARY FUNDS
JUNE 30, 2004

	Dennis Cemetery Fund	Tax Revolving Fund
<u>ASSETS</u>		
Cash	\$ 7 327	<u>\$ 4 952</u>
<u>LIABILITIES</u>		
Due to General Fund		<u>\$ 4 952</u>
Net assets		
Restricted for perpetual care	7 200	
Unrestricted	<u>127</u>	
Total net assets	<u>\$ 7 327</u>	

See accompanying notes to financial statements.

WHEATFIELD TOWNSHIP

STATEMENT OF CHANGES IN NET ASSETS - DENNIS CEMETERY FUND

YEAR ENDED JUNE 30, 2004

ADDITIONS

Interest income

\$ 127

NET ASSETS, at beginning of year

7 200

NET ASSETS, at end of year

\$ 7 327

See accompanying notes to financial statements.

WHEATFIELD TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2004

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of Wheatfield Township conform to U.S. generally accepted accounting principles as applicable to governmental units. The following is a summary of the significant accounting policies used by Wheatfield Township:

A. Reporting Entity

Wheatfield Township is governed by an elected five-member Board. The accompanying financial statements present the government with no component units.

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the primary government. The effect of interfund activity has been removed from these statements.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function. Taxes and other items not properly included among program revenues are reported instead as general revenue.

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The financial statements of Wheatfield Township are prepared in accordance with generally accepted accounting principles (GAAP). The Township's reporting entity applies all relevant Governmental Accounting Standards Board (GASB) pronouncements and applicable Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, unless they conflict with GASB pronouncements.

The government-wide financial statements are reported using the economic resources measurement focus and the modified accrual basis of accounting, as is the fiduciary fund financial statement. Revenue is recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenue is recognized as soon as it is both measurable and available. Revenue is considered to be available if it is collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

WHEATFIELD TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2004

The Wheatfield Township property tax is levied on December 1 on the taxable valuation of property (as defined by State statutes) located in Wheatfield Township as of the preceding December 31. It is Wheatfield Township's policy to recognize revenue from the current tax levy in the current year when the proceeds of this levy are budgeted and made "available" for the financing of operations. "Available" means collected within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period (60 days).

The Government reports the following major governmental funds:

The General Fund is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

Private-sector standards of accounting issued prior to December 1, 1989, are generally followed in the government-wide financial statements to the extent that those standards do not conflict with the standards of the Governmental Accounting Standards Board.

The effect of interfund activity has been eliminated from the government-wide financial statements.

Amounts reported as program revenue include charges to customers or applicants for goods, services or privileges provided. Generally revenue includes all taxes.

D. Assets, Liabilities, and Net Assets or Equity

Bank Deposits and Investments - Cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments.

Receivables and Payables - In general, outstanding balances between funds are reported as "due to/from other funds."

All trade and property tax receivables are shown as net of allowance for uncollectible amounts. Property taxes are levied on each December 1 on the taxable valuation of property as of the proceeding December 31. Taxes are considered delinquent on February 14 of the following year and are turned over to Ingham County for collection after February 28.

Capital Assets - Capital assets, which include property and equipment are reported in the applicable governmental activities column in the government-wide financial statements. Capital assets are defined by the government as assets with an initial individual cost of more than \$500 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed.

Property, plant and equipment is depreciated using the straight-line method over the following useful lives:

Buildings	50 years
Office equipment	10 years
Computer equipment	5 years

WHEATFIELD TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2004

Fund Equity - In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriations or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

(2) STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Information - Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all governmental funds. All annual appropriations lapse at fiscal year end. By state law, expenditures may not exceed budgeted amounts and a fund deficit may not be budgeted.

The budget document presents information by fund, function, department and line items. The legal level of budgetary control adopted by the governing body is the department level. All budget amendments are approved by the Township Board.

(3) CASH DEPOSITS

All of the Township's funds are received by the Township Treasurer and deposited with institutions approved by the Township Board. At June 30, 2004, the Township had \$216 031 on deposit at a local bank of which \$100,000 was covered by FDIC insurance.

(4) CAPITAL ASSETS

Capital asset activity of the primary government for the current year was as follows:

	Balance July 1, 2003	Increases	Decreases	Balance June 30, 2004
Governmental Activities				
Capital assets not being depreciated				
Land	\$ 6 200	\$ _____	\$ _____	\$ 6 200
Capital assets being depreciated				
Buildings	340 000			340 000
Equipment	26 254			26 254
Subtotal	366 254			366 254
Less accumulated depreciation for				
Buildings	11 700	6 700		18 400
Equipment	4 690	2 766		7 456
Subtotal	16 390	9 466		25 856
Net capital assets being depreciated	349 864	(9 466)		340 398
Governmental activities capital total				
Capital assets - net of depreciation	\$ 356 064	\$ (9 466)	\$ _____	\$ 346 598

WHEATFIELD TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2004

Depreciation expense was charged to programs of the primary government as follows:

Governmental activities - General government	<u>\$ 9 466</u>
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(5) LONG-TERM DEBT

At year end the Township had an outstanding installment debt of \$175,039. Monthly payments are \$1,600 including interest at 5.15 percent through October 2016. The debt is backed by the full faith and credit of the Township. Annual debt service requirements to maturity (to be paid by the General Fund) are as follows:

Year ended June 30,	Principal	Interest
2005	\$ 10 434	\$ 8 766
2006	10 984	8 216
2007	11 563	7 637
2008	12 173	7 027
2009	12 814	6 386
2010-2014	74 942	21 058
2015-2017	42 129	2 671
	<u>\$ 175 039</u>	<u>\$ 61 761</u>

(6) RISK MANAGEMENT

Wheatfield Township is exposed to various risks of loss related to property loss, torts, errors and omissions and employee injuries (workers' compensation). Wheatfield Township has purchased commercial insurance for property, liability, wrongful acts, crime inland marine and other risks of loss including workers' compensation and accident insurance. Settled claims relating to the commercial insurance have not exceeded the amount of insurance coverage in any of the past three fiscal years.

(7) BUILDING PERMIT FEES AND RELATED EXPENDITURES

For the period July 1, 2003, through June 30, 2004, building permit fees and related expenditures were as follows:

Building permit revenue	<u>\$ 10 214</u>
Inspection department salaries	3 960
Fringe benefits	407
Travel and training	287
Allocated overhead	5 801
Total expenditures	<u>10 455</u>
Excess(deficiency) of revenues over expenditures	(241)
Prior net revenue(expenditure)	<u>(13 567)</u>
Net revenue(expenditure) January 1, 2000 through June 30, 2004	<u><u>\$(13 808)</u></u>

REQUIRED SUPPLEMENTARY INFORMATION

WHEATFIELD TOWNSHIP

GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE

YEAR ENDED JUNE 30, 2004

	Original budget	Final budget	Actual
REVENUES	\$ 206 950	\$ 206 950	\$193 288
EXPENDITURES			
Legislative - Township Board	12 300	13 500	12 797
Supervisor	12 650	12 650	12 083
Elections	2 800	2 800	750
Assessor	10 525	10 525	10 244
Professional fees	18 600	18 600	9 591
Clerk	16 700	16 200	13 434
Board of review	400	400	381
General office	17 000	19 000	16 341
Treasurer	14 875	13 375	12 733
Township Hall and grounds	35 000	35 000	12 486
Cemetery	5 050	5 050	4 851
Public safety	250	250	250
Building inspection	6 900	6 900	4 247
Public works	36 200	43 500	43 423
Zoning and planning	7 550	7 550	3 953
Other functions	16 000	14 800	14 016
Debt service	19 200	19 200	19 200
Total expenditures	232 000	239 300	190 780
Excess(deficiency) of revenues over expenditures	(25 050)	(32 350)	2 508
FUND BALANCE, at beginning of year	201 802	201 802	201 802
FUND BALANCE, at end of year	\$176 752	\$169 452	\$204 310

See accompanying notes to financial statements.

ADDITIONAL INFORMATION

WHEATFIELD TOWNSHIP

GENERAL FUND

SCHEDULE OF REVENUES

YEAR ENDED JUNE 30, 2004

	<u>Original budget</u>	<u>Final budget</u>	<u>Actual</u>
Taxes			
Operating	\$ 55 000	\$ 55 000	\$ 53 688
Penalties and interest	<u>1 000</u>	<u>1 000</u>	<u>288</u>
Total taxes	<u>56 000</u>	<u>56 000</u>	<u>53 976</u>
Intergovernmental			
State shared revenues	<u>127 950</u>	<u>127 950</u>	<u>119 855</u>
Charges for services and reimbursements	<u>2 300</u>	<u>2 300</u>	<u>3 931</u>
Licenses and permits	<u>13 700</u>	<u>13 700</u>	<u>11 850</u>
Miscellaneous			
Building rental	2 000	2 000	2 500
Interest income	<u>5 000</u>	<u>5 000</u>	<u>1 176</u>
Total miscellaneous	<u>7 000</u>	<u>7 000</u>	<u>3 676</u>
Total revenues	<u>\$206 950</u>	<u>\$206 950</u>	<u>\$193 288</u>

WHEATFIELD TOWNSHIP

GENERAL FUND

SCHEDULE OF APPROPRIATIONS AND EXPENDITURES

YEAR ENDED JUNE 30, 2004

	Original budget	Final budget	Actual
Legislative - Township Board			
Salaries	\$ 8 000	\$ 9 200	\$ 9 270
Supplies	150	150	
Dues and meetings	1 500	1 500	1 398
Mileage	100	100	8
Publishing	2 500	2 500	2 121
Telephone	50	50	
Total legislative - Township Board	12 300	13 500	12 797
Supervisor			
Salary	12 000	12 000	12 000
Supplies	100	100	
Dues and Meetings	300	300	
Mileage	200	200	83
Telephone	50	50	
Total Supervisor	12 650	12 650	12 083
Elections			
Wages	2 000	2 000	512
Supplies	500	500	231
Tabulation	250	250	
Mileage	50	50	7
Total elections	2 800	2 800	750
Assessor			
Contract services	10 200	10 200	10 244
Program support	325	325	
Total Assessor	10 525	10 525	10 244
Professional fees			
Attorney	15 000	15 000	5 991
Accounting	3 600	3 600	3 600
Total professional fees	18 600	18 600	9 591

WHEATFIELD TOWNSHIP

GENERAL FUND

SCHEDULE OF APPROPRIATIONS AND EXPENDITURES

YEAR ENDED JUNE 30, 2004

	Original budget	Final budget	2004
Clerk			
Salary	\$ 12 000	\$ 12 000	\$ 12 000
Deputy	3 500	3 000	1 075
Software support	400	400	
Dues and meetings	300	300	30
Mileage	500	500	329
Total Clerk	16 700	16 200	13 434
Board of Review			
Salaries	350	350	381
Supplies	25	25	
Meetings	25	25	
Total Board of Review	400	400	381
General office			
Wages	8 000	10 000	10 382
Supplies	6 500	6 500	4 575
Telephone	2 000	2 000	1 291
Machine repair	500	500	93
Total general office	17 000	19 000	16 341
Treasurer			
Salary	12 000	12 000	12 000
Deputy	2 000	500	480
Software support	325	325	
Dues and meetings	250	250	
Mileage	300	300	253
Total Treasurer	14 875	13 375	12 733
Township Hall and grounds			
Wages	1 500	1 500	2 415
Supplies	1 000	1 000	316
Utilities	5 000	5 000	3 923
Repairs and maintenance	2 500	4 500	5 832
Capital outlay	25 000	23 000	
Total Township Hall and grounds	35 000	35 000	12 486
Cemetery			
Repair and maintenance	5 050	5 050	4 851

WHEATFIELD TOWNSHIP
GENERAL FUND
SCHEDULE OF APPROPRIATIONS AND EXPENDITURES
YEAR ENDED JUNE 30, 2004

	<u>Original budget</u>	<u>Final budget</u>	<u>2004</u>
Public safety	\$ 250	\$ 250	\$ 250
Building inspection			
Salaries	6 000	6 000	3 960
Supplies	300	300	
Dues and meetings	200	200	
Mileage	<u>400</u>	<u>400</u>	<u>287</u>
Total building inspection	<u>6 900</u>	<u>6 900</u>	<u>4 247</u>
Zoning and planning			
Salaries	7 000	7 000	3 700
Supplies	500	500	253
Mileage	<u>50</u>	<u>50</u>	
Total zoning and planning	<u>7 550</u>	<u>7 550</u>	<u>3 953</u>
Public works			
Roads	22 200	22 200	21 407
Drains	<u>14 000</u>	<u>21 300</u>	<u>22 016</u>
Total public works	<u>36 200</u>	<u>43 500</u>	<u>43 423</u>
Other functions			
Insurance and bonds	8 500	8 500	8 774
Social security	6 000	6 000	5 242
Contingency	<u>1 500</u>	<u>300</u>	
Total other functions	<u>16 000</u>	<u>14 800</u>	<u>14 016</u>
Debt service			
Principal	19 200	19 200	9 745
Interest			<u>9 455</u>
Total debt service	<u>19 200</u>	<u>19 200</u>	<u>19 200</u>
Total appropriations and expenditures	<u>\$232 000</u>	<u>\$239 300</u>	<u>\$190 780</u>

David E. Haddrill, P.C.
Certified Public Accountant

834 N. Capitol, Lansing, MI 48906-5114
517/484-4200 Fax: 517/484-4262

December 17, 2004

Township Board
Wheatfield Township

We have completed our examination of the financial statements of Wheatfield Township for the year ended June 30, 2004. During our examination, we reviewed certain accounting, business, and other procedures as part of our evaluation of the system of internal controls. Although our examination would not necessarily disclose all areas where improvements could be made, we did notice a few items worthy of comment.

PRIOR RECOMMENDATIONS

The Local Audit and Finance Division of the Michigan Department of Treasury has issued guidelines regarding legal expenditures that may be made by local units of government, including payment of mileage upon submission of mileage reimbursement logs. We noticed instances where monthly mileage was submitted for reimbursement in total rather than as a daily mileage log. We also recommend that hours worked be submitted by employees by day, rather than as a monthly total, and that these daily timesheets be signed by both the employee and, where appropriate, the employee's supervisor.

There are still instances where cash receipts are held too long before being deposited. We again recommend that cash receipts be deposited more frequently and suggest a policy requiring deposits when receipts on hand exceed a certain dollar amount.

We would be pleased to assist you if you have any questions concerning the above items or if we can be of help in any other way.

Sincerely,

David E. Haddrill

David E. Haddrill
Certified Public Accountant